



City of Hamilton Report for Information

To: Mayor and Members
General Issues Committee

Date: **April 30, 2025**

Report No: CM25002

Subject/Title: United States (U.S.) Initiated Tariff-Related Activities
– Status Update & City of Hamilton Response

Ward(s) Affected: (City Wide)

Recommendations

- 1) That Report CM25002 respecting United States (U.S.) Initiated Tariff-Related Activities – Status Update & City of Hamilton Response **BE RECEIVED** for information.

Key Facts

- Economic policies, including tariffs, actions and commentary by the United States (U.S.) Administration, have negatively impacted the Hamilton economy. These impacts vary between those directly affected within the broader City of Hamilton (City) community, City operations and Hamilton’s business sectors, specifically the industrial sector and related workforces, given their vulnerability.
- The full impact of these tariff-related activities remains unknown due to the evolving nature of the situation. Report CM25002 provides a status update of activities to date and actions initiated by the City current to April 17, 2025.
- In Canada, trade regulation, including international trade, falls under the Federal government’s jurisdiction. The City of Hamilton must align its response to U.S. tariff-related activities with Federal and Provincial trade laws and directions, while also advocating for financial supports to protect local businesses, workers, and residents.
- Upon U.S. threats of tariff-related activities, the City’s Economic Development team rapidly engaged with Hamilton’s business sector, with an intentional focus on the industrial sector, given their heightened vulnerability. Ongoing two-way communications will continue through multiple channels to ensure businesses

have access to timely information and can share emerging impacts and business needs.

- Council approved Report [FCS25015](#) in response to U.S. initiated tariff-related activities as it relates to City procurement and resilience. It directed that the Mayor, on behalf of Hamilton City Council, confirm with Premier Doug Ford and the Provincial Government that the Municipality of the City of Hamilton should follow the premier's direction to amend our procurement policy to ban all U.S. companies from City of Hamilton municipal contracts. Staff continue to work towards actioning the recommendations and will report back with updates in Q2 2025.
- Council directed staff to explore opportunities to enhance support for growth in the City of Hamilton through a review of growth funding tools and developer incentives, reporting back to the Audit, Finance & Administration Committee.
- Recommendation reports will be brought forward to Council for any items requiring input or decision-making.

Financial Considerations

The financial impact of U.S.-initiated tariff is uncertain due to the continuously changing landscape.

The City is currently managing the response within existing budgets, with Economic Development and Procurement being the most affected services. Over time, all City services are expected to feel the impact. Rising equipment, supplies, and material costs, along with potential supply chain disruptions and contract issues, may delay service delivery, projects and construction timelines.

As U.S. economic policies continue to develop, the City's Government Relations and Finance teams are monitoring new federal and provincial programs, especially those related to stimulus packages or funding for municipalities, economic sectors, and the community. Internally, Government Relations will continue to engage with all City Departments to assess impacts on services, and Finance will ensure that all available municipal tools to mitigate impacts are explored and applied as needed.

Background

Canada and the United States share a deeply integrated economic relationship, with trade between the two nations reaching over \$950 billion annually, supporting millions of jobs. Recent threats of changes to U.S. economic policies and the implementation of U.S. tariffs, including 25% on Canadian exports and 10% on energy products, pose a serious threat to Canada's economy, with estimates of a 0.5% to 5% decline in Canada's gross domestic product (GDP), depending on the severity of the tariffs and Canada's response. Appendix "A" to Report CM25002 provides a timeline of U.S. initiated tariff related activities.

Ontario is home to over half of Canada's primary metal manufacturing jobs, with more than a quarter of all steel product manufacturing workers based in the Hamilton region.

The impact of tariffs on local businesses, workers, and residents in Ontario - particularly in Hamilton due to its strong steel and manufacturing basis - could be significant, potentially leading to reduced employment. Research suggests that for every steel industry job lost, up to six additional jobs could be lost elsewhere in the economy. The ripple effects may also include higher prices and lower investor confidence.

Modelling from the Conference Board of Canada and Bank of Canada projects a GDP loss of \$1.1 billion for Hamilton. Given the city's reliance on steel exports, the actual losses may well exceed this preliminary estimate.

In 2018, Hamilton's steel and aluminium industry faced similar U.S. tariffs. Canada witnessed steel exports decrease nearly 40 per cent and aluminium by more than 50 per cent. While exports later recovered, the city cannot rely on the hope of achieving the same long-term outcomes while allowing our local workers and communities to endure hardship in the present.

Tariff impacts are also expected to strain Hamilton's social services sector. Rising costs and employment instability in the steel and aluminium industry will add pressure on food banks, income support programs, mental health services, rent and utility emergency banks, housing, and employment services. The intensity of the impacts on these services will grow proportionality with the length of time that tariffs remain in place.

The Ontario Works program may see a modest immediate rise in caseloads as the labour market tightens and entry level positions become more difficult to attain. Many laid-off workers would initially rely on income supports through Employment Insurance, turning to Ontario Works once those benefits are exhausted.

Tariffs could also impact the development of much needed affordable housing, due to rising construction costs.

Municipal tools to address these issues are limited. Trade regulation and provision of employment insurance is primarily under the Federal government's responsibility. The Federal government, along with provinces and territories, are exploring ways to use the Canadian Free Trade Agreement (CFTA) to promote economic growth and support trade within Canada to counteract the impact of U.S. tariffs. A coordinated Team Canada approach to respond to U.S. tariffs has also been developed and implemented by the current Federal government, with next steps to be determined by the incoming Federal government.

Prior to the Federal election, the Federal government took steps such as reviewing trade agreements, implementing countermeasures and introduced temporary reforms to the employment insurance program. Provinces and territories, which control liquor sales and natural resources, have removed U.S. liquor products and have options regarding energy and electricity exports. All levels of government are collaborating to find ways to use procurement, capital spending, and other programs to support local and Canadian businesses.

Any actions taken by the City must comply with federal and provincial trade laws.

Appendix “B” to Report CM25002, outlines tariff-related countermeasures taken to date, in addition to supports for businesses, workers and municipalities that have been introduced by Federal and Provincial governments.

Analysis

Municipalities have limited tools to respond directly to in U.S. economic policy shifts; however, there are some targeted actions municipalities can take to support the Team Canada response. Appendix “C” to Report CM25002 provides a high-level snapshot summary of what some other Ontario municipalities are doing. Most actions being taken across municipalities, outside of supporting local business sectors and advocacy to other levels of government, are focused on amending procurement by-laws, consistent with actions already underway in Hamilton.

City of Hamilton Actions

Actions being taken by the City, alongside its partners in municipal government include:

- **Advocacy Efforts:** Working with the Federation of Canadian Municipalities (FCM), the Association of Municipalities of Ontario (AMO), the Big City Mayor’s Caucus (BCMC), and the Ontario Big City Mayors Caucus (OBCM) tariff sub-committee to ensure Hamilton’s concerns remain a priority and are front and centre in national advocacy efforts.
- **Direct Engagement with U.S. Policymakers:** The Mayor recently travelled to Washington, D.C. to participate in the Great Lakes and St. Lawrence Cities Initiative’s annual Great Lakes Day, where she reinforced the need for fair trade policies that protect Hamilton jobs.
- **Inter-Municipal Collaboration:** Partnering with various municipal partners, such as the Regional & Single Tier CAO (RSTCAO), Economic Development departments, and Municipal Purchasing groups to share best practices, coordinate responses, and explore strategic opportunities to collectively advocate and mitigate the impact of these trade challenges.

Similar to other municipalities, the City of Hamilton proactively evaluated the local implications of tariffs on City operations, key economic sectors, and the broader community. Staff continue to work closely with federal and provincial governments and other partners to address the effects of recent U.S. economic policies on local businesses and residents. Advocacy efforts are on-going and will be employed through various channels as long as tariff-related actions threats persist. As new information emerges, particularly around procurement and economic development, updates will be provided to Council, ensuring all actions align with the direction and priorities of the Mayor and Council.

Economic Development

In response to tariff-related activities, the City’s Economic Development Division has been leading a collaborative and harmonized response that is focused on communication, gathering, and leveraging data and supporting business retention. By

focusing efforts through these three distinct but related lenses, staff are working to ensure that the City is listening to business needs, providing access to information and resources, learning about and understanding the impacts of U.S. economic policies on local businesses and promoting and supporting opportunities for business leaders to jointly define pressure points and strategies for advocacy.

One of the key strategies being used to gather information and support our local economy is to host the Mayor's Roundtable on Trade and Tariffs. To date, the City has held two Mayor's Roundtable on Trade and Tariffs meetings, with a third scheduled for May 13, 2025. The ongoing importance of these key industry and business sector engagement opportunities supports the gathering of insights on impacts to our local economy and assists in the development of our government relations and advocacy strategy for the Mayor and members of Council to use in discussions with senior levels of government.

Economic Development Staff are also engaging with municipal partners across the Greater Toronto Area, in addition to being part of proactive discussions with the Consider Canada Cities Alliance, a foreign direct investment collaboration representing Canada's major municipalities and regions, Global Affairs Canada, and the Federal Trade Commissioner Services. These discussions are working to identify opportunities for collaboration and knowledge sharing. Although these collaborations are in their infancy, it is anticipated that these collaborative partnerships and information sharing discussions will continue to grow and evolve as mindsets shift from being competitors to being partners, in alignment with the Team Canada response to tariff related activities. Hamilton's Economic Development team is also using these discussions as an opportunity to inform local tariff related activities on best practices, ensuring our local businesses have the best supports and information possible.

Efforts have also been ramped up by Tourism Hamilton to support our local businesses during these challenging times. By showcasing events, businesses and natural attractions, staff are focused on encouraging residents and visitors to think differently about Hamilton by exploring all that Hamilton has to offer. Opportunities to amplify buy local and promote Hamilton as a destination for visitors include:

- Using support local verbiage across all tourism channels
- Creating itinerary-based social media posts that include activities and restaurants and encourage overnight stays.
- Promoting neighbourhoods and local events
- Collaborating more closely with local partners to expand reach.

Similar to other actions being taken across the City, Economic Development and Tourism supports will continue to be made available to respond to tariff related activities as long as tariff related actions are a threat to our community and beyond to support recovery as required.

Appendix "D" to Report CM25002 provides a more detailed overview of all actions being taken in response to U.S. tariff-related activities to support our local business sector.

Procurement

According to the Association of Municipalities of Ontario (AMO), Ontario's municipalities spend over \$22 billion annually procuring goods and services. Appendix "E" to Report CM25002 provides a snapshot on lessons learned by AMO based on a survey conducted of municipalities to understand what challenges may arise from a total ban on the procurement of U.S. goods and services. City Procurement staff continue to look at how to effectively integrate and position procurement processes to build in the priority of sourcing from local and Canadian companies, where feasible and possible, while actioning approved recommendations of Report FCS25015 (Appendix "F" to Report CM25002). In addition, internal actions being led by Procurement staff include:

- Convened a working group of City Departments and Legal Services to work collaboratively through:
 - new definitions for terms such as Canadian supplier, US supplier, non-US supplier, along with the provisions under those definitions
 - any further proposed changes to procurement policies and related mechanisms to support buy local, buy Canadian approach.
 - Identifying alternative suppliers for goods sourced from the U.S.
- Facilitating training for staff on:
 - applicable trade agreements to support understanding of what is allowable from a sourcing aspect (i.e. when can you buy from Canadian only suppliers and when you cannot)
 - education plan to assist in understanding procurement changes.
- Incorporate Supports for Vendors:
 - develop support documents to assist in understanding any procurement changes.
 - develop clear language for inclusion in procurement documents pertaining to changes in procurement policies and procedures.
 - development of a bidder attestation form, to gather information from vendors with which to base evaluations on, and to assist in determining if a bidder is a US supplier.
- Partnerships with other Municipalities:
- Procurement will continue to work with other municipalities to look for similar goods to pool resources and support sourcing of Canadian made goods.

Council at its meeting of March 5, 2025 directed staff to report back to GIC in Q2 2025 with additional recommendations for amendments to the City's Procurement Policies to integrate buy local and Canadian policies and any impacts the tariffs have or may have on the cost of City services and infrastructure projects, including mitigation options and/or financing strategies for Council's consideration.

Finance

Given the economic challenges faced by Hamilton's manufacturing and steel sectors, due to recent U.S. tariffs and changes in economic policies, the City is closely

monitoring the situation and its effects on the local economy and building industry. Staff are actively assessing the impact on local businesses and exploring mitigation measures, such as the deferral of property taxes, temporary tax relief through waiving penalty and interest charges, and potentially waiving administrative fees and interest on new payment arrangements with Alectra Utilities. In parallel, the City is strengthening partnerships with other municipalities and advocating to senior levels of government for meaningful, equitable funding that prioritizes outcomes versus optics. These actions align with financial supports implemented during the COVID-19 pandemic to support affected sectors.

Other options, such as amending the Development Charges (DC) By-law, are also being explored, in part due to the economic uncertainty related to trade and tariff policy shifts being created in the non-residential sector, but also to help stimulate development and construction activity in the residential sector, in alignment with other development-related process improvements.

In response to Council's direction at its meeting of April 16, 2025 (Appendix "G" to Report CM25002), staff will report back with options in Q2 2025.

Human Resources

Effective March 18, 2025, the City suspended all employee business travel to the United States. This includes travel for conferences, professional development, and other work-related purposes, including virtual options. This restriction will remain in effect until further notice and has been put in place by City Administration to minimize contributions to the American economy during this challenging time. Exceptions to this suspension will only be granted for tariff-related advocacy travel to the U.S. or for trade and economic development purposes. Details related to this restriction are outline in Appendix "H" to Report CM25002.

Communications

Given the fast-changing nature of the situation, the City must stay flexible and responsive in its communications. City Communications staff are ready to assist with internal and external communications when necessary.

It is recommended that communications focus on important updates, such as policy changes, Council decisions, or new City programs that directly address tariff impacts. The Communications team will ensure that key decisions and messages are widely communicated in a timely and accessible manner across multiple channels (e.g. website, media releases, social media), with links to the [Trade and Tariff Resource Hub](#), as appropriate. To ensure clarity to a variety of external audiences, including both residents and local businesses, all communication will be coordinated between the Mayor, the Mayor's Office, Council, Senior Leadership Team, and Communications staff.

Alternatives

Not applicable.

Relationship to Council Strategic Priorities

The 2022 - 2026 Council Priorities were developed to reflect Hamilton's most pressing needs and biggest opportunities and were defined in support of our vision to be the best place to raise a child and age successfully. Over time, as the impact of the economic policies being put in place by the current U.S. administration are realized, there is potential for far reaching negative impacts across our entire community and on the cost of City operations. These impacts would touch on staff's ability to deliver on the outcomes and measures of success under each of Council's Priorities:

- Sustainable Economic & Ecological Development
- Safe & Thriving Neighbourhoods
- Responsiveness & Transparency

Previous Reports Submitted

- [FCS25015 - General Issues Committee - February 26, 2025 / Council - March 05, 2025](#)

Consultation

City of Hamilton Senior Leadership Team and applicable staff leads:

- Chris Phillips, Director (Acting) Government Relations
- Angie Burden, General Manager, Community Services
- Lora Fontana, Executive Director, Human Resources
- Carlyle Khan, General Manager, Public Works
- Grace Mater, General Manager, Healthy & Safe Communities
- Steve Robichaud, General Manager (Acting), Planning & Economic Development
- Norm Schleeahn, Director Economic Development
- Cyrus Tehrani, Chief Information Officer, City Manager's Office
- Mike Zegarac, General Manager, Finance & Corporate Services
- Tina Iacoe, Director Procurement

Appendices and Schedules Attached

Appendix "A" to Report CM25002 - Timeline - U.S. Initiated Tariff Related Activities

Appendix "B" to Report CM25002 - Canadian Federal and Ontario Provincial Government Responses & Timeline to U.S. Initiated Tariff Related Activities

Appendix "C" to Report CM25002 - Summary of some Ontario Municipal Government Responses to U.S. Initiated Tariff Related Activities

Appendix "D" to Report CM25002 - City of Hamilton Response - Economic Development Actions

Appendix "E" to Report CM25002 - AMO Municipal Procurement Impacts of US Procurement Ban & Provincial Actions to Support Municipalities

Appendix "F" to Report CM25002 - City of Hamilton Response - Procurement

Appendix “G” to Report CM25002 - City of Hamilton Response - Finance
Appendix “H” to Report CM25002 - City of Hamilton Response - Restrictions on U.S.
travel

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**Submitted and
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City Manager’s Office